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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF

EAGLE WATER COMPANY, INC.
NAME

846 No. EAGLE ROAD, EAGLE, ID. 83616
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2000

C. DEAN GRAHAM
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 309
EAGLE, IDAHO 83616

TELEPHONE
208 / 939-0021

July 2, 2001

To the Board of Directors
Eagle Water Company., Inc.
Eagle, Idaho 83616

I have compiled the balance sheet of Eagle Water Company, Inc. (a corporation) as of December 31, 2000 and the related statement of income and retained earnings, and supporting schedules for the year then ended included in the accompanying prescribed form in accordance with standards established by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management. I have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Yours very truly,



C. Dean Graham, CPA

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2000**

COMPANY INFORMATION

1 Give full name of utility Eagle Water Co., Inc.
 2 Date of Organization 3/14/74
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 846 N. Eagle Rd.
 5 P.O. Box (if applicable) 455
 6 City Eagle
 7 State Idaho
 8 Zip Code 83616
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Eagle, Ada County, Idaho

11 Are there any affiliated companies? N/A
 If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	Robert V. DeShazo, Jr.	939-0242
Vice President	Rowland Jones	
Secretary	Betty Holt	
General Manager	Norman Revels	
Complaints or Billing	Betty Holt	
Engineering	Jim Rees, MTC Engineers	345-0780
Emergency Service	Norman Revels	939-0242
Accounting	Betty Holt 939-0242 Dean Graham	939-0021

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? No
 If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?
 Street Address 846 N. Eagle Rd
 City Eagle
 State Idaho
 Zip 83616

SEE ACCOUNTANT'S COMPILATION REPORT

NAME: EAGLE WATER COMPANY, INC.

COMPANY INFORMATION (Cont.)

For the Year Ended 2000

15 Is the system operated or maintained under a service contract? N/A

16 If yes: With whom is the contract? _____
When does the contract expire? _____
What services and rates are included? _____

17 Is water purchased for resale through the system? N/A

18 If yes: Name of Organization _____
Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____

	Gallons/CCF	\$Amount
Water Purchased		

19 Has any system(s) been disapproved by the Idaho Division of Environmental Quality? No

If yes, attach full explanation

20 Has the Idaho Division of Environmental Quality recommended any improvements? No

If yes, attach full explanation

21 Number of Complaints received during year concerning:

Quality of Service	<u>10</u>
High Bills	<u>4</u>
Disconnection	<u>0</u>

22 Number of Customers involuntarily disconnected 1

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? July

Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year? _____

If yes, attach full explanation and an updated system map

SEE ACCOUNTANT'S COMPILATION REPORT

NAME: EAGLE WATER COMPANY, INC.

REVENUE & EXPENSE DETAIL

For the Year Ended 12/31/00

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>427,893</u>
3	461.2	Metered Sales - Commercial, Industrial	<u>80,153</u>
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>508,046</u>
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	<u>145,427</u>	Booked to Acct # <u>271</u>
11	***Commission Approved Surcharges Collected		Booked to Acct # _____
401 OPERATING EXPENSES			
12	601.1-6	Labor - Operation & Maintenance	<u>46,103</u>
13	601.7	Labor - Customer Accounts	<u>36,488</u>
14	601.8	Labor - Administrative & General	<u>19,528</u>
15	603	Salaries, Officers & Directors	<u>17,847</u>
16	604	Employee Pensions & Benefits	<u>19,399</u>
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>65,474</u>
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>10,858</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>8,085</u>
22	631-34	Contract Services - Professional	<u>29,298</u>
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>4,219</u>
27	656-59	Insurance	<u>12,748</u>
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	<u>101</u>
31	670	Bad Debt Expense	
32	675	Miscellaneous	
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		<u>270,148</u>

SEE ACCOUNTANT'S COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC.

INCOME STATEMENT

For Year Ended 12/31/00

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>508,046</u>
2	Operating Expenses (From Page 3, line 33)	<u>270,148</u>	
3 403	Depreciation Expense	<u>38,688</u>	
4 406	Amortization, Utility Plant Acquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)		
7 408.11	Property Taxes	<u>12,575</u>	
8 408.12	Payroll Taxes	<u>23,418</u>	
9A 408.13	Other Taxes (list) DEQ Fees		
9B			
9C			
9D			
10 409.10	Federal Income Taxes < REFUND >	<u>< 53,718 ></u>	
11 409.11	State Income Taxes < REFUND >	<u>< 17,168 ></u>	
12 410.10	Provision for Deferred Income Tax - Federal		
13 410.11	Provision for Deferred Income Tax - State		
14 411	Provision for Deferred Utility Income Tax Credits		
15 412	Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)		<u>276,943</u>
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>231,103</u>
20 415	Revenues, Merchandizing Jobbing and Contract Work		
21 416	Expenses, Merchandizing, Jobbing & Contracts		
22 419	Interest & Dividend Income	<u>12,951</u>	
23 420	Allowance for Funds used During Construction		
24 421	Miscellaneous Non-Utility Income		
25 426	Miscellaneous Non-Utility Expense		
26 408.20	Other Taxes, Non-Utility Operations		
27 409-20	Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		<u>12,951</u>
29	Gross Income (add lines 19 & 28)		<u>244,054</u>
30 427.3	Interest Exp. on Long-Term Debt		<u>14,894</u>
31 427.5	Other Interest Charges		<u>146</u>
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><u>229,014</u></u>

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 12-31-00

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	13,857			13,857
2 302	Franchises and Consents				
3 303	Land & Land Rights	20,396			20,396
4 304	Structures and Improvements	15,199			15,199
5 305	Collecting & Impounding Reservoirs	48,015			48,015
6 306	Lake, River & Other Intakes				
7 307	Wells	387,600			387,600
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	20,236			20,236
11 311	Power Pumping Equipment	98,221	90,328		188,549
12 320	Purification Systems				
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	948,434	19,748		968,182
15 333	Services				
16 334	Meters and Meter Installations	121,824	12,832		134,656
17 335	Hydrants	4,200			4,200
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	15,296			15,296
21 341	Transportation Equipment	13,675			13,675
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment	8,711	875		9,586
24 344	Laboratory Equipment				
25 345	Power Operated Equipment				
26 346	Communications Equipment				
27 347	Miscellaneous Equipment				
28 348	Other Tangible Property				
29	TOTAL PLANT IN SERVICE	1,715,664	123,783		1,839,447

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 12-31-00

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		7,204	7,484	280
2 305	Collecting & Impounding Reservoirs		43,614	44,991	1,377
3 306	Lake, River & Other Intakes				
4 307	Wells		44,594	56,707	12,113
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment		18,214	19,226	1,012
8 311	Power Pumping Equipment		31,358	37,083	5,725
9 320	Purification Systems				
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories		79,014	90,243	11,229
12 333	Services				
13 334	Meters and Meter Installations				
14 335	Hydrants		735	769	34
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment		4,188	6,890	2,702
18 341	Transportation Equipment		1,968	4,503	2,535
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment		3,261	4,942	1,681
21 344	Laboratory Equipment				
22 345	Power Operated Equipment				
23 346	Communications Equipment				
24 347	Miscellaneous Equipment				
25 348	Other Tangible Property - ORGANIZATION		13,857	13,857	
26	TOTALS (Add Lines 1 - 25)		248,007	286,695	38,688

Enter beginning & end of year totals on Pg 7, Line 7

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER COMPANY, Inc

BALANCE SHEET

For Year Ended 12/31/00

		<u>ASSETS</u>	Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning of Year	End of Year	or (Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	1,715,664	1,839,447	123,783
2	102	Utility Plant Leased to Others			
3	103	Plant Held for Future Use			
4	105	Construction Work in Progress			
5	114	Utility Plant Aquisition Adjustment			
6		Subtotal (Add Lines 1 - 5)	1,715,664	1,839,447	123,783
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	248,007	286,695	38,688
8	108.2	Accum. Depr. - Utility Plant Lease to Others			
9	108.3	Accum. Depr. - Property Held for Future Use			
10	110.1	Accum. Amort. - Utility Plant in Service			
11	110.2	Accum. Amort. - Utility Plant Lease to Others			
12	115	Accumulated Amortization - Aquisition Adj.			
13		Net Utility Plant (Line 6 less lines 7 - 12)	1,467,657	1,552,752	85,095
14	123	Investment in Subsidiaries			
15	125	Other Investments			
16		Total Investments (Add lines 14 & 15)			
17	131	Cash	123,943	83,294	< 40,649 >
18	135	Short Term Investments			
19	141	Accts/Notes Receivable - Customers	11,557	10,722	< 835 >
20	142	Other Receivables - PAYROLL ADVANCES	18,759	30,917	12,158
21	145	Receivables from Associated Companies			
22	151	Materials & Supplies Inventory			
23	162	Prepaid Expenses			
24	173	Unbilled (Accrued) Utility Revenue			
25	143	Provision for Uncollectable Accounts			
26		Total Current (Add lines 17 -24 less line 25)	154,259	124,933	< 29,326 >
27	181	Unamortized Debt Discount & Expense			
28	183	Preliminary Survey & Investigation Charges			
29	184	Deferred Rate Case Expenses A/R - R.V. DESHAZU, JR	34,504	34,504	—
30	186	Other Deferred Charges - AIR CONSTRUCTION	626,136	972,959	346,823
31		Total Assets (Add lines 13, 16 & 26 - 30)	2,282,556	2,685,148	402,592

SEE ACCOUNTANT'S COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC.

BALANCE SHEET

For Year Ended 12/31/00

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	20,000	20,000	—
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts — PAID IN CAPITAL	63,702	63,702	—
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	235,166	464,180	229,014
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	318,868	547,882	229,014
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt	59,504	55,094	< 4,410 >
12	231 Accounts Payable	16,100	37,201	21,101
13	232 Notes Payable — BANKS & OTHERS	43,429	61,054	17,625
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable — PAYROLL TAXES	17,500	9,611	< 7,889 >
17	236.12 Accrued Income Taxes Payable			
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable	5,681	8,028	2,347
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction			
23	253 Other Deferred Liabilities			
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction	1,821,474	1,966,278	144,804
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	1,963,688	2,137,266	173,578
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	2,282,556	2,685,148	402,592

** Only if Commission Approved

SEE ACCOUNTANTS COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC

STATEMENT OF RETAINED EARNINGS

For Year Ended 12/31/00

1	Retained Earnings Balance @ Beginning of Year	<u>235,166</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>229,014</u>
3	Other Credits to Account	<u> </u>
4	Dividends Paid or Appropriated	<u> </u>
5	Other Distributions of Retained Earnings	<u> </u>
6	Retained Earnings Balance @ End of Year	<u><u>464,180</u></u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	<u>COMMON</u>	<u>20,000</u>	<u>20,000</u>	<u>-0-</u>
	<u> </u>			

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	<u>NOTES PAYABLE - NYBORG</u>	<u>12% - 14%</u>	<u>55,094</u>	<u>7,091</u>	<u>730</u>
	<u> </u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC

SYSTEM ENGINEERING DATA

For Year Ended 2000

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gpm)	Type of Treatment: (None, Chlorine Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
#1	600 gpm	None		well
#2	400 gpm	None		well
#3	400 gpm	None		well
#4	variable up to 2500	None		well
#6	variable up to 2500	None		well

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
W/H #2	90,000	90,000	Boosted	Concrete

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER COMPANY, INC.

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2000

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	2"	1,521	80	-0-	1,601
	4"	8,134	-0-	-0-	8,134
	6"	38,006	1,920	-0-	39,926
	8"	103,266	5,400	-0-	108,664
	12"	61,502	1,540	-0-	63,042
	1½"	5,460	2,700	-0-	8,160
	10"	20	-0-	-0-	20

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	2,099	1,947	526,803,678	506,370,416
2B Commercial	172	154	111,741,322	70,756,820
2C Industrial	-0-	-0-	-0-	-0-
3 Flat Rate:				
3A Residential	None	None		
3B Commercial	1	1		
3C Industrial	None	None		
4 Private Fire Protection				
5 Public Fire Protection				
6 Street Sprinkling				
7 Municipal, Other				
8 Other Water Utilities				
TOTALS (Add lines 2 through 8)	2,172	2,102		

SEE ACCOUNTANTS' COMPILATION REPORT

